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Selling Services for Limited Liability Housing Companies

Bringing Customers into Focus

Master's Thesis
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Advisor: Minna Näsman, Dr.Theol.

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ABSTRACT OF MASTER'S THESIS

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Digitalisation offers a lot of new opportunities for energy industry in Finland, especially in service business related to district heating. In addition, limited liability housing companies expectations and needs are driving the change in the industry. However, limited liability housing companies as customers are somewhat unknown group who's operations are seen slow and difficult.

This thesis aims to increase the knowledge and understanding on how the limited liability housing companies make purchase decisions by conducting semi-structured interviews with the board members of the limited liability housing companies. Then, that knowledge is used to find out how the sales process could be improved. In addition, the ambition is to facilitate customer centricity in the energy industry by focusing on the customers. The empirical study follows the design science research methodology.

The results of the study indicate, that the limited liability housing company's purchase decision making is affected by the motivation of the board, the deputy landlord's role and board culture. Moreover, the limited liability housing companies should not be considered as business customers. The results also indicate, that the sales process should be more customer-centric and designed in a way that it provides consulting and support for the members of the board in a limited liability housing company.

Keywords:	energy industry, limited liability housing company, purchase decision, customer centricity, service selling
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Digitalisaatio tarjoaa paljon uusia mahdollisuuksia Suomen energia-alalle, etenkin kaukolämpöön liittyvässä palvelumyynnissä. Lisäksi taloyhtiöiden odotukset ja tarpeet ajavat energia-alan muutosta. Haasteena on, että taloyhtiöistä tiedetään asiakasryhmänä vähän ja heidän toimintaa pidetään hitaana ja vaikeana.

Tämän tutkimuksen tavoitteena on haastattelemalla taloyhtiön hallituksen jäseniä lisätä tietoa ja ymmärrystä siitä, miten taloyhtiöt tekevät ostopäätöksiä. Haastattelut noudattavat semistrukturoitua teemahastattelua. Tätä tietoa hyödyntämällä selvitetään, miten myyntiprosessia voitaisiin parantaa. Lisäksi tutkimuksen tavoitteena on fasilitoida asiakaskeskeistä ajattelua energia-alalla. Empiirinen tutkimus noudattaa suunnittelututkimuksen viitekehystä.

Tutkimuksen tulosten mukaan taloyhtiöiden ostopäätökseen vaikuttavat motivaatio, isännöitsijän rooli ja hallituksen kulttuuri. Taloyhtiöitä ei myöskään pitäisi ajatella yritysasiakkaana vaan yksityisasiakkaana. Tulokset osoittavat myös, että myyntiprosessin pitäisi olla asiakaskeskeisempi ja suunniteltu niin, että taloyhtiön hallituksen jäsenille on tarjolla konsultointia ja tukea päätöksen tekemiseen.

Asiasanat:	energia-ala, taloyhtiö, ostopäätöksen tekeminen, asiakaskeskeisyys, palvelumyynti
Kieli:	Englanti

Esipuhe

"*Sehän kuulostaa jopa sellaiselta, minkä minäkin voin ymmärtää.*" Kommentoi 84-vuotias mummoni, kun kerroin hänelle dippa-aiheeni. Toivon lopputuotoksenkin olevan siis yhtä ymmärrettävä.

Tuntuu mahtavalta, että näiden kouluvuosien jälkeen voi hyvillä mielin jättää pulpetit ja luentokalvot taakseen, ainakin toistaiseksi. Kun aloitin opiskelut AMK:ssa, en ajatellut, että jossain vaiheessa kirjoittaisin dippatyöni esipuhetta, tässä sitä kuitenkin ollaan.

Kiitos Leanheatille mahdollisuudesta tehdä dippa mielenkiintoisesta ja monipuolisesta aiheesta. Kiitos erityisesti Kanava-tiimille (Jussi, Ossi, Tapio) tuesta ja sparrauksesta. Kiitos myös pelikavereille Fußball-pöydän ääressä, ilman pelitaukoja dippa olisi saattanut jäädä pöytälaatikkoon tai tässä tapauksessa pilvipalveluun.

Ristolle kiitos kannustuksesta, uskon valamisesta ja keskusteluhetkistä, joiden jälkeen oli, ainakin hetken aikaa, selvä fiilis omasta tekemisestä. Minnalle kiitos tuesta ja avusta omien ajatusten selkeyttämisessä sekä arvokkaasta palautteesta.

Ystäviä haluan kiittää yhteisistä hetkistä, jotka ovat auttaneet unohtamaan dippaprojektin oikeilla hetkillä. Kiitos erityisesti Jennalle, joka on tarponut Aaltoilevalla polulla yhtä aikaa ja, jonka kanssa on kertynyt hyviä muistoja Aalto-ajalta. Kiitos myös Teemolle, jonka vinkit ovat olleet vähintäänkin ajatuksia herättäviä niin tämän työn kuin elämänkin suhteen.

Viimeiseksi suuret kiitokset perheelleni, joka on aina ollut tukenani ja kannustanut eteenpäin. Isoveljeäni hoputan myös valmistumaan, jotta saadaan kunnon kekkerit järkättyä.

Voisin tehdä mitä tahansa enkä kumminkaan tee yhtään mitään. Voi miten hauskaa on tehdä ihan mitä haluaa. (Mymmeli)

Espoossa, 24.11.2019

Anna Hurtta

Contents

Chapter 1

Introduction

This master's thesis purpose is to increase the understanding about limited liability housing companies' purchasing decision making in order to improve the service selling in a business to business to customer context. The study uses design science research approach and it is conducted as a service design project in a case company.

This chapter begins by presenting the background and motivation for the research and introducing the case company. Then the problem and research questions are presented and finally, the structure of the thesis is introduced.

1.1 Background and Motivation

In Finland about 2.7 million people are living in approximately 88 000 limited liability housing companies (Isännöintiliitto 2017; Official Statistics of Finland (OSF) 2018). This limited liability housing company regime is an unique setting compared to other countries and it is dominant form of ownership in multi-apartment buildings in Finland (Lujanen 2017). The operation of the limited liability company is regulated by the Finnish law (Satuli 2014).

There are a lot of books and online material to support and guidance the people who are in the board of a limited liability housing company, referred later on also as a *housing company*. In addition, it is discussed a lot that the work in a housing company can be a hassle and people do not want to participate in the operation of the housing company. However, there is a lack of knowledge and understanding about the purchase decision making process as well as the motivation of the people to be in the board.

This study tries to fill this knowledge gap by researching and understanding the people who are members of a housing company board and create a better way to reach the thousands of housing companies by identifying some similarities between them.

Related to the energy industry this study aims to facilitate a more customer-centric approach since according to Fader (2012) energy firms do not refer to their customers as *customers* but *rate-payers*. This emphasizes how the energy firms view their customers and what could be changed, since according to Revella (2015) basic rule of successful businesses is to know your customers.

1.2 Introduction to Leanheat

The case company in this study is Leanheat which provides a software solution that enables the space heating optimization of centrally heated multi-family residential buildings. This is done by installing wireless sensors to track temperature and humidity, and a connection to the central heating controller is established. The system collects data from apartments, heating system and weather in order to automatically create a thermodynamic model for the building. Then the space heating is optimized based on the parameters resulting a minimized simultaneous usage of heat and thus lowering the peak loads caused by it. (Leppä et al. 2019)

The traditional heating system can not adjust to the changing weather or the thermodynamic properties of the building. In addition, the traditional system does not communicate with other systems inside the buildings nor with the buildings within the same network. This causes a suboptimal behaviour in the system, since it possible that all of these components require high heat power at the same time. (Leppä et al. 2019)

The benefits of the Leanheat's solution for district heating companies are that 1) the peak loads are 20 % lower and primary return temperatures are two to four degrees lower, 2) heat production is optimized with demand forecasts and demand response and 3) data from the buildings offer new business models to be used and developed. For residents the solution provides stable and better indoor conditions. (Leppä et al. 2019)

In Finland, from the big apartment buildings around one third is owned by the professional property owners and in that specific market the case company is already the market lead. The rest of the buildings are housing companies which means that reaching them as clients is strategically important in order to grow bigger in the market.

Leanheat and district heating companies are forming partnerships because the system provides a way for the district heating companies to optimize their energy production. Moreover, based on the research done by Talent and Valor (2018) customers are becoming active in acquiring services which means that the energy companies should be more active in providing service business in order to engage better with their customers.

1.3 Problem Statement

As stated above, acquiring limited liability housing companies as clients is difficult, because there are tens of thousands of them and those are run by laypersons. In addition, people have tendency to favour the "status quo" - situation which means that the goal is to keep the situation as it is rather than developing it. In the context of living, the stabilised situation without any remarkable deficiencies leads to the situation where no changes are wished for. (Nykänen et al. 2013)

Selling services for housing companies requires resources and knowledge about how they operate and the reasons for their actions. On top of that, district heating companies are valuable since currently they have their exiting customer relationships with housing companies because they provide them heat. The research will concentrate on creating new and better understanding on the purchase decision making processes inside housing companies by exploring the background motivation for people to be in the board and what affects the decision making. With this understanding it is then possible to design and develop a sales process guidance and guidelines on how to reach the potential market of the housing companies. Thus, the first research question is formed as follows:

RQ1: What affects the purchase decision making process in a limited liability housing companies?

The results gained from the first research question are then utilized in order to find out how energy companies could sell their services more efficiently for the housing companies. By doing this research the aim is to provide new information and guidance for energy companies which would then increase sales as well as reduce lead times and customer acquisition costs. To answer this, the second research question is formulated as follows:

RQ2: How to improve current sales process with the knowledge of limited liability housing company's decision making process?

1.4 Structure of the Thesis

In the next chapter, the background information about limited liability housing companies is studied and presented to gain understanding about what they are and how they operate. In addition, Chapter 2 provides information about he energy industry in Finland and an introduction of the science behind decision making. Lastly, Chapter 2 introduces the concept of customer centricity and service design. Then, in Chapter 3 the research methods are presented along with the description on how the methods were implemented in the study. In Chapter 4 the results of the study are presented. Finally, the discussion related to the results of the study as well as limitations of the study and future research are discussed in the Chapter 5.

Chapter 2

Background

In this section, the background information of the research is presented. First, the concept of a limited liability housing company is presented along the information related to its operation. Then, the energy industry in Finland is described by focusing on the digitalisation and service business opportunities. After that, the science behind decision making is presented. Lastly, the background section gives an overview about customer centricity and how service design can be used to bring customers into focus.

2.1 Limited Liability Housing Company

In this chapter the regime of limited liability housing company is presented and the operation of it is described in order to provide background information. First the basic concept is explained, then the responsibilities and operation of the housing company is explored.

Limited liability housing company is a type of limited liability company whose purpose is to own and control one or multiple buildings or a part of it where over the half of the combined floor surface area of the apartment or apartments is designated in the articles of association to be possessed by the shareholders and to be used as residential apartments (Limited Liability Housing Companies Act 2009). To put it simple, the company owns the property and the share capital is divided into shares. For the shareholders, these shares then give a right of possession to a specific apartment. (Lujanen 2017). So, when a person buys an apartment in a housing company, she become the shareholder of the bought apartment (Satuli 2014).

As mentioned already in the introduction, 2.7 million people are living in approximately 88 000 housing companies in Finland which makes it dominant form of ownership in multi-apartment buildings in Finland (Isännöintiliitto

2017; Official Statistics of Finland (OSF) 2018; Lujanen 2017). The operation of the limited liability company is regulated in the Finnish law and the articles of association contains the internal law and order of the specific housing company (Satuli 2014). In practice, the housing company takes care of the real estates and the buildings which it controls and owns. (Limited Liability Housing Companies Act 2009).

2.1.1 The Division of Responsibilities

housing company is led by the board and the deputy landlord. Their job is to act in a way that advances the company's interest (Limited Liability Housing Companies Act 2009). However, this does not mean that the people who are in the board should have expertise in the real estate field. So, the people working in the board are mostly laypersons which should be considered inside the board as well as among the shareholders. (Kiinteistöliitto et al. 2017)

The board of the housing company needs to have of three to five people, if the articles of association do not state otherwise. The board needs to have a chairperson who is selected by the board. It is notable that the board members do not need to be shareholders of the housing company which means for example that a person, who lives in a rented apartment in the housing company, can be a member of the board. (Furuhjelm 2012)

The highest decision-making body is the shareholder's meeting which is held once a year. In a shareholder's meeting every shareholder has a right to vote. The main responsibility of a shareholder is to decide who will be in the board of the housing company. The Table 2.1 presents the actors who form the housing company and their responsibilities in addition to the previously mentioned. (Viiala and Rantanen 2015)

The shareholder's meeting is a place where the shareholders, board members and the deputy landlord meet each other and the meeting provides a good place for discussions and questions (Kiinteistöliitto et al. 2017). The decision making in a shareholder's meeting happens usually with the majority decision, which means that the suggestion which has over half of the votes is the final decision. If the voting is related to person, the one who receives most of the votes gets elected. In tie situation the chairperson makes the decision, if the voting is not related to electing a person. (Viiala and Rantanen 2015)

In the shareholder's meeting the housing board's responsibility is to present the scope of the maintenance actions to be done in the housing company. This scope is then decided in the meeting. (Viiala and Rantanen 2015) Based on the Limited Liability Housing Companies Act (2009) the board requires shareholder's meeting's decision to proceed with actions which are

Organ	**Chooser**	**Responsibilities**
Shareholder's meeting	Formed by all shareholders, not chosen	Shareholder's meeting decide on financial statement, maintenance fee, loans and major overhauls. Shareholder's meeting chooses the board members and gives the freedom of responsibility for the board members and the deputy landlord. In addition they chooses the auditor.
Board	Shareholder's meeting	The board chooses the deputy landlord, if the board do not take care of the real estate management by themselves. Board accepts the agreements and oversees the finance. Additionally the board makes a five year plan which covers the needed renovations and repairs. The board also presents the renovations done previously.
Deputy landlord	Board	Deputy landlord's responsibility is to take care of the daily operations of the housing company. Deputy landlord executes the decisions which the board has made. In addition deputy landlord prepares the board meetings and act as a secretary.
Service company	Board	Service company operates under deputy landlord and they do all tasks agreed on the agreements, for example cleaning of the public spaces.
Auditor	Shareholder's meeting	Auditor checks the company's accounts and the legality of the government. Auditor is responsible to report the status for the shareholder's meeting.

Table 2.1: Limited liability housing company's organs and their responsibilities. (Viiala and Rantanen 2015)

considering the size and operation of the company unusual or far-reaching, affecting essentially to the use of the shareholder's apartment or affecting essentially to the obligation to pay maintenance fee or to other expenses which are caused by the use of the shareholder's possessed apartment.

The role of the deputy landlord is similar to the managing director in a limited liability company since it is the deputy landlord's responsibility to take care of the daily administration. Additionally, deputy landlord puts in action the decisions made by the housing board and takes care that the accounting is done properly according to the law. (Sarekoski 2015)

2.2 Energy Industry in Finland

This chapter focuses on the energy industry in Finland and how the digitalisation is affecting the industry and what it enables. The literature review is based on the consultant's reports made about the current state as well as the future possibilities of the energy industry. The literature about the service business is mainly focused on the general information about the service business since there has not been academic research about the service business in energy industry except for few thesis. This is because the industry is currently moving towards service business (Talent and Valor 2018).

In Finland there are around 100 district heating companies which are responsible for heat distribution, sale and production. Most of these companies are owned by the municipalities. (Talent and Valor 2018; Pöyry 2018) Based on the statistics made by Finnish Energy Industries (2018) 46 % of apartment buildings are part of the district heating network which means that 2,92 million residents are living in apartments which are heated with district heat. Additionally, according to the Energiateollisuus (2018) energy industry is facing a time when customers role is changing towards the direction where they have more opportunities to influence the whole industry.

2.2.1 Digitalisation in the Energy Industry

According to an article which was published in (Energiateollisuus ry 2016) energy industry is the least developed industry what it comes to the digitalisation. A study was done by Deloitte and Touche Oy (2016) to find out how digitalisation will change energy industry and what it will allow for the energy companies and for the customers. It was stated that digitalisation is changing the business models and creating new services and products as well as forming new kind of customer experience. In addition, the needs, expectations and hopes of the customers are driving the change in the energy industry. Energy efficiency is increasing and new alternative heating forms are becoming more popular, which are changing the current situation as well. (Energiateollisuus 2018)

According to the vision statement made by Energiateollisuus (2018) Finland has the leader's role in reducing emissions, increasing renewable energy usage and in the use of combined heat and power as well as in district heating. Moreover, the prices are very competitive and the operational reliability is on it's own level. In addition digitalisation allows the energy industry to be more efficient with lower expenses (Salokoski 2017).

According to the analyze made by Deloitte and Touche Oy (2016) digitalisation offers opportunities in four different levels. First level is concentrating on improving efficiency and profitability, but on this level there is no new business. However, the first level is a good base for then proceed to the second level, which is concentrating in finding new businesses and improving existing ones. On the third level, the company is automating the business and they use data in their operations. Lastly, on the fourth level the company is innovating new models and they are superior in taking advantage from the digitalisation.

The relationship between the energy provider and the customer is also changing. In the future it is possible for the energy company to choose its role whether the company wants to expand their offering and to provide services for the customer and through that increase the relationship with them. It is also possible for the energy company to stay as they are today and being seen only as the energy provider. Since, the customers are seeking more possibilities in order to be more cost-efficient and to have more stable indoor conditions, it offers opportunities for new service providers and for energy companies as well as for the deputy landlords who are capable to answer the needs of the customers. (Deloitte and Touche Oy 2016)

2.2.2 Service Business in Energy Industry

To deliver the value proposition and sell the service for customers the company needs to think the channels which are used to reach the customers. These channels offers touch points for creating customer experience and the channel phases can be divided into awareness, evaluation, purchase, delivery and after sales. In order to design the way to reach the customers it is important to think how they are reached now, what works and how do the company wants to reach them. (Osterwalder and Pigneur 2010) Customer journey maps offers a way to design such channel and are presented later in this chapter.

In a business to customer ecosystem McDonald and H. Wilson (2016) list methods for marketing products. These methods are personal selling, direct mail and email, retail outlets and and brands. In personal selling the products are usually difficult to sell meaning that the value is difficult to explain, highly profitable and commodity items meaning that the differentiation is only happening for example during the sales process. Even though personal selling is an effective way to sell since the customer is engaged in the sales process itself, it is not a cheap way to make sales happen.

Direct mail and email allows the company to target specific types of customers with lower cost compared to personal selling even though the direct contact is made. Customers can receive for example offers and catalogues via direct mail and email. However, the downside of direct mail is that the response rate is low and some might feel they lose the personal contact. (McDonald and H. Wilson 2016)

In consumer products, it is normal that the suppliers have their offering distributed by retailers with whom they have good relations and who have decent organizations for retail because of the customers are dispersal. One of the most important thing in creating and maintaining relationships with customers is to have a strong brand. Brand allows for customers to match their values, aspirations and lifestyle with the brand and through this the company might not need that much of a personal contact with the customers since they are attracted to the brand itself. (McDonald and H. Wilson 2016)

In addition to these methods, the social media marketing can be used to increase the company's online visibility, strengthen the customer relationship and provide a platform for word of mouth advertising. (Ng and Zimmerman 2017)

McDonald and H. Wilson (2016) highlights that the product promise is an important aspect in service marketing compared to product marketing because the value of the service is assessed only on consumption. So, buying a service requires trust and relationship between the customer and the supplier. In addition, evaluating an offer about service is hard and it requires tangible evidence of the quality.

In energy industry the whole market in district heating is around 2.3 Billion euros in the year 2013 according to the service business in the energy industry report done by Valor (2015). Additionally, only 25 Million euros of that market is for the energy efficiency and heating system maintenance services. This share of 25 Million euros is only about 1.2 percent from the market but it has been growing rapidly (approximately 30 % per year) in the years 2009-2013. In the future, the sales of district heat is expected to decrease due to energy efficient new construction, renovations done in older buildings and gradual warming of the climate.

From the perspective of housing companies as customers, Deloitte and

Touche Oy (2016) described that housing companies are mostly interested in easily understandable solutions for the heating since they do not usually have professional understanding related to the heating. All in all the solutions should be lowering their overall costs and it was mentioned that the customers want to actually to see how it happens. Without these, the customers do not want to put any effort for the optimization of the heating. For the housing companies the motives affecting to heating were ranked as 1. Easiness 2. Price 3. Indoor condition 4. Reliability.

What it comes to the identified customer needs, Deloitte and Touche Oy (2016) state that they need clear service information, which do not require any effort in using and producing added value. To answer this need, the energy companies should for example bring customer centricity into their service development, understand their customers and maintain their customer relationships better.

2.3 Science Behind Purchase Decision Making

For the people, like the researcher, who tend to think rationally the next concept might strike as something new. However, it is important to understand how we humans make decisions and what affects the decision making in order to plan for example marketing campaigns which actually work. Thus, this chapter studies decision making and especially the ones happening on purchasing moments. Despite that this concept is concentrating on how individuals behave it should be considered relevant from the perspective of this study, since the people who makes the decisions in housing companies are behaving as individuals and not as a business unit.

Nobel Prize winner Daniel Kahneman has studied human decision making and in his book *Thinking, Fast and Slow* he presents framework which divides human decision making and behaviour into two systems: *System 1* and *System 2*. System 1 is responsible for fast, automatic and intuitive actions which do not require effort and there is no sense of voluntary control. Then again, System 2 allow us to make reflective and deliberate decisions which require thinking. To be more precise, operations of System 2 are easily disrupted when attention is drawn away.

System 1 and 2 are both active while we are awake, but System 2 is normally on so to speak low-effort mode. System 1 runs automatically and it can not be turned off, so for example if we see a word that is written in a language we know, we will read it. In addition, System 1 is making suggestions about impressions, intuitions, intentions and feelings. If those suggestions become endorsed by the System 2, they turn into beliefs and voluntarily actions. System 2 gets activated if System 1 runs into difficulty such as hard mathematical task for example 17 x 24. To enlighten more Kahneman (2011) states that *"System 2 is activated when an event is detected that violates the model of the world that System 1 maintains"*.

According to Barden (2013) it is crucial to understand how the previously presented systems work, since they determine all of our purchasing decisions regardless of brand, products, industries or categories. Normally, an average contact with an advertise is for example in mailing 2 seconds and in popular magazine 1.7 seconds. This highlights the fact that the core message in marketing communications should be delivered in a matter of seconds and that even the tiniest thing can influence the decision making.

Every signal we detect can have an affect on our decision, even a scent. This was proven in a test done in a shopping mall where people were exposed to different aromas. The ones who had been exposed to the scent of baking cookies were more likely to help an unknown person compared to the people who had not been exposed to that scent. Even though the people were not made specifically aware of the scent, it influenced their behaviour. This is called as a framing effect. (Barden 2013)

The framing effect is one of the key concept in order to understand how decisions are made. The framing effect is explained by Barden (2013) with an example of two same colored grey squares where the background is different colored, as seen in the Figure 2.1. The background of the inner square affect how we perceive the color of the inner square and that happens implicitly. Even though, we know the inner squares are same colored we do not see it and the perception is changed and through this it also changes our decision. Despite we have decided that the inner square is different color, we can not see it. System 1 and System 2 work together where the System 1 creates the frame and System 2 focuses on the detail. In marketing, the brand work as framing and it affects the customers' perceived value and willingness to pay for premium price even though the products would be identical.

Additionally, the System 1 is managing all of our perceptions, expectations, attitudes and motivational drivers which affect the purchase decisions we make even though those can not be noted. There is a huge potential in increasing the persuasiveness of marketing activities by understanding all of the opportunities how it is possible to affect on decision making. (Barden 2013)

Barden (2013) states that the purchase decisions are based on purchase-pain relationship. This was proven in an experiment which focused on analyzing neural activity. In the study the researchers showed first picture of

Figure 2.1: We see the inner grey squares in different colors.

a brand/product then the same picture with price and finally the respondents needed to press yes or no button to show whether they would buy the product. First picture activated the so called *reward system* in the brains which triggers when we see something we value. Seeing the second picture activated the same parts of the brain which activates when we experience pain. This indicated that price is not rational. The researcher then came to a conclusion that purchase decision happen if *the relation between reward and pain exceeds a certain value*: the higher the difference (so to say net value) between the reward and the pain is, more likely we buy the product. So, to put it simple the purchase decision happens more likely when:

reward - pain = high net value

According to Barden (2013) all the purchase decisions are based on the cost-value relationship, but it is notable that there are two sides to it: the implicit and the explicit processes which are based on the previously mentioned System 1 and System 2. The implicit process is affected by the context where the decision is made and it is sensitive to the past and habits. The explicit process, however, focuses on the real and objective facts about the product, thus it bases the decision making on reasoning. Since, the cost-value relationship has two sides, it is needed to describe them more precisely.

So, in order to increase the net value, Barden (2013) mentions that the perceived value needs to be maximized and the perceived cost needs to be reduced. The product's value is two folded: explicit value is what the customers expect the product to deliver and implicit value is the context around it which can be formed through brand, social context, packaging and associations. Even though, it was mentioned earlier that seeing price triggers the same parts in brain as pain, it can also influence the perceived value. However, this happens only when the price range is high in the specific category.

As with the value, price is also two folded and consists of the explicit and implicit perception. Explicit price is judged objectively, but it is possible to change the perceived cost with certain contextual signals. For example, showing the discounted price together with the original price is perceived cheaper than showing just the discounted price even though the prices are exactly the same. Thus, the implicit price is dependent on how the price is actually presented. In addition to money as a cost, behavioural costs are also important perspective to notice. They include the time and effort which are needed to gain the promised value, reward by either buying or consuming the product. Behavioural costs should be as low as possible, meaning that the ease of doing business with the company should be effective in order to optimize the customer's path to purchase. (Barden 2013) These methods were exploited in the study in order to increase the net value and the practical description of the exploitation is in the chapter 3.4.

In addition Sinek (2009) emphasises in his book *Start With Why* that the company should first make clear *why* the company or the product exists and only after that *what* the product does. This is because the people do not buy what the company does, instead they buy why the company does it. The *what* means in this context the product's features and rational benefits. It is important to explain the *why*, because that drives the decision and *what* the product does offers reasoning which will help to rationalize the appeal of the product.

The above mentioned principal is explained by Sinek (2009) it is presented in the below:

Starting with what
We've got a new product.
It pauses live TV.
Skips commercials.
Rewinds live TV.
Memorizes your viewing habits and records shows on your behalf without your needing to set it.

Starting with why
If you're the kind of person who likes to have total control of every aspect of

your life, boy do we have a product for you.
It pauses live TV.
Skips commercials.
Rewinds live TV.
Memorizes your viewing habits and records shows on your behalf without you needing to set it.

The first example is starting with *what* and the second one with *why*. The latter one first gives reasons on why the product is needed and only after that explains what the product is and what it does. So, it is easier for the people to rationalize the decision when they receive tangible proofs of the product after the *why*. This approach was also utilized in the study and information of it can be found from the chapter 3.4.

2.4 Customer Centricity

Drucker (2007) states in his book *The Practice of Management* that the purpose of a business is to create customers by business actions. Moreover the customers are the ones who determines what a business is. For the business, it is most important to understand what the customers consider as value since it is them who decides what the business produces. In addition, according to Parniangtong (2017) organizations' performance have also been explained with the focus on the outcomes which the customers value and are willing to pay. This means, that the customers are more satisfied and thus give a competitive advantage for the company. For a company to succeed in nowadays competition in the marketplace, customer centricity is a must (Shah et al. 2006).

Customer-centric thinking is built on four main arguments which are as follows:

1. Loyal customers should produce more money for a company.

2. New customers might not produce money immediately, but they should be profitable for the company in the future.

3. It is more affordable to serve and introduce new offerings to long-term customers than to new customers.

4. Long-term customers are more stable when it comes to pricing and a company's digressions, in addition they are more likely to spread word about the company. (Parniangtong 2017)

Based on these arguments, the loyal customers bring more value to the company and through this, the competitive advantage of the company becomes better. Because customer-centric thinking drives from the goal where the customer equity is on high level, the company should focus on the customer relationship over lifetime. In order to achieve customer equity the company should know their customers, respond to their needs, appreciate them and maintain a profitable relationship with them over a long time. (Parniangtong 2017)

Parniangtong (2017) states that customer value is created by a value chain which is customer driven, being closer with the customer, selling solution, having trust from the customers and offering intimacy with their customers through personalized experience. Having a customer-driven value chain compared to the traditional product oriented, the company can serve customers' needs better because then the customer needs will drive the change. This is different from the product oriented value chain where the customers' priorities are seen only at the end of the value chain and the company's mindset is revolving around how they can make more where they are good at. So, if the customers and their needs and priorities are in the center of attention, the company is more likely to produce products which will differentiate (Parniangtong 2017).

Being closer with the client means that the company have customized their offerings to individual customers. This is reported to happen for example by collecting information about their customers in order to understand buying patterns and through this the company has been able to influence the future purchase. To do so, the company also needs to view the problems from the perspective of the client and not through their own products. When company does this, they focus on satisfying customer needs and solving their problems and thus it can be said that they sell solutions. (Parniangtong 2017)

The value of trust and intimacy go hand in hand. A company must gain trust from the customers in order to maintain the relationship. When trust is earned, the goal is to create value through customer intimacy because companies want that making business with them is easy. To do so, company must show to the customer that they care about them, value their business and are aware of their needs as individual and unique customers. (Parniangtong 2017)

The differences between product centricity and customer centricity is also discussed in the article wrote by Shah et al. (2006) where the comparison is made through the basic philosophy, business orientation, product positioning, organizational structure and focus, performance metrics, management criteria, selling approach and customer knowledge. The comparison is presented in the Figure 2.2 and it summarizes the differences between the two approaches.

	Product-Centric Approach	*Customer-Centric Approach*
Basic philosophy	Sell products; we'll sell to whoever will buy	Serve customers; all decisions start with the customer and opportunities for advantage
Business orientation	Transaction-oriented	Relationship-oriented
Product positioning	Highlight product features and advantages	Highlight product's benefits in terms of meeting individual customer needs
Organizational structure	Product profit centers, product managers, product sales team	Customer segment centers, customer relationship managers, customer segment sales team
Organizational focus	Internally focused, new product development, new account development, market share growth; customer relations are issues for the marketing department	Externally focused, customer relationship development, profitability through customer loyalty; employees are customer advocates
Performance metrics	Number of new products, profitability per product, market share by product/subbrands	Share of wallet of customers, customer satisfaction, customer lifetime value, customer equity
Management criteria	Portfolio of products	Portfolio of customers
Selling approach	How many customers can we sell this product to?	How many products can we sell this customer?
Customer knowledge	Customer data are a control mechanism	Customer knowledge is valuable asset

Figure 2.2: Differencies in product-centric and customer-centric approaches by Shah et al. (2006).

To summarise this chapter Fader (2012) mentions that to gain the long-term profits from a customer centric view, the company need to succeed in the following areas: customer acquisition, customer retention and customer development. What this means is that the company should get highly committed customers to be as advocates for the company through customer acquisition, increase the amount of referrals and understand the cost as well as the value of new customer acquisition. The goal of customer retention is to lengthen the relationships between the company and the best customers as well as to lower the cost of maintaining such relationships. Lastly, customer development strives to develop customers in the direction where they would buy more products or services from the company.

2.4.1 Ways to Bring Customers into Center of Attention

In this section, the researcher present how service design can be facilitated in order to bring the customers into center of attention. The presented examples are chosen based on the relevancy of the actual research and the easiness to apply them in the study. In chapter 3, the researcher will describe how the customer segmentation was used in the study.

Customer Segmentation

In the Lean Entrepreneur, written by Cooper and Vlaskovits (2013), the fact that the *who* will buy is as important as the product. To serve for a specific group of people, segmentation is needed in order to define the marketing and sales plans as well as the distribution channels to answer the needs of that specific group. If there is no segmentation done, the company do not have an understanding on who is testing the value proposition. In addition, it is impossible in the beginning to create a value proposition that fits the whole market. Instead, it should be notified that successful solutions develop over time through the early adapters.

The Law of Diffusion of Innovations explains how the innovations spread through societies and even more, it explains how ideas spread. The Law of Diffusion of Innovations was first described by Everett M. Rogers and in the 1990's Geoffrey Moore went deeper and applied the principle to high-tech product marketing. Simon Sinek explains and refers to this Law of Diffusion in his book *Start With Why*. According to the law the population is divided into five segments: innovators, early adopters, early majority, late majority and laggards. These segments and their percentages are presented in the Figure 2.3.

As seen in the Figure 2.3 innovators are 2.5 percent of the population and early adopters are 13.5 percent of the population. According to Sinek (2009) these two segments have a lot in common as they both appreciate the crafted advantages of the new ideas or technologies and they rely on their intuition and trust their gut with decisions. Additionally, early adapters recognize the value of a new idea and are not that sensitive for some minor imperfections because they understand and know the idea's or product's potential. It is important for them that they are the first ones to use the product. To make this more clear with an example, the segments who are on the left side of the diffusion curve are stated to be the ones who line up in front of the Apple store hours before the store opens in order to be among the first to buy a new iPhone.

Early majority together with the late majority forms 68 percent of the population. The laggards are 16 percent of the population and are described to by for example touchscreen phones only when they do not make phones which have buttons anymore. The early and late majority are described to be more practical in a sense that they evaluate the choices more rational. The difference between the early and late majority lies in the fact that the early majority is a bit more open towards new ideas and technologies compared to the late majority. The more right in the curve the population fall the less they believe what the company believe even though they might need what

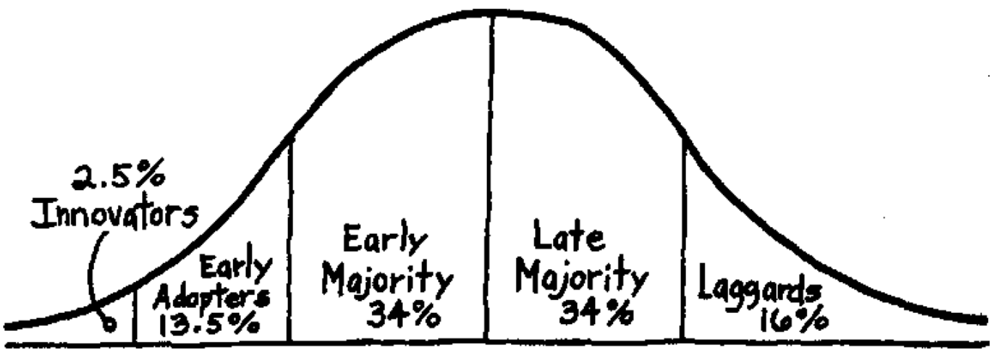

Figure 2.3: Segmentation of population according to the Law of Diffusion (Sinek 2009).

the company offers. It is stated that it is important to identify these segments because then it is possible to avoid doing business with them. (Sinek 2009)

Sinek (2009) mentions also that if a company wants to achieve mass-market of some level, the Law of Diffusion must be considered. If a company tries to convince the early majority before it has appealed to the innovators and early adapters, it is seen as nearly mission impossible. This is because early majority do not want to try anything before someone else has tried it first and recommended it. So, the mass-market success can only be achieved if the company has penetrated first between 15 to 18 percent of the market which means that the company needs to focus on the early adopters and after that the rest of the market will follow.

Moreover there are many different things that suggest that customers belong to different segments. According to Cooper and Vlaskovits (2013) and Osterwalder and Pigneur (2010) customers belong to different segments if :

- They use different medias and hang out in different places, meaning that they can be reached through different distribution channels.
- Their needs are clearly different thus it justify a distinct offer since they might be willing to pay for different things.
- They expect different solutions and have different profitability.
- Methods for selling are not the same.

The main takeaway from here is, that people might and will use the same product in different ways and it is as important to design how to market and sell the product as it is to design the actual product for their needs. And to do so, it is crucial that the company knows and understands the customers.

Another important aspect of customer segmentation is to design the value proposition. Osterwalder and Pigneur (2010) states that value propositions describes the value for a customer through various elements which fill the needs of the customers. To help creating the value proposition these aspect can be for example newness of the need which is usually related to the technology, price meaning that the similar value is offered in a lower price which fills the needs of price-sensitive customers or cost which promises to reduce the costs with the help of the provided service.

Customer Journey Maps

Based on Kalbach (2016) operational efficiency of a company is thought as more important than their customer satisfaction. To turn this situation around, alignment diagrams can be used to help organizations to think how their business fit to the lives of customers. Alignment diagrams present the interactions between a customer and an organization in a storytelling way. Additionally, the diagrams offer a way to show both sides of value creation since they help organizations to visualize the strategy as well as they help to design experiences. (Kalbach 2016)

Alignment diagrams are beneficial because they build empathy, provide a big picture, break silos in organizations, help focusing and point where improvements and innovations can be made. Understanding better people's thoughts and feelings through alignment diagrams build empathy which allows an organization to learn about their customers and real-world human conditions. With the alignment diagrams it is possible to share the understanding and provide a big picture in organizations because the actions become more consistent and the decision making is influenced by the diagrams. (Kalbach 2016)

Because the alignment diagrams allows to map the customer experiences across different organization departments, it is possible to break down silos. In addition they help organizations to focus because alignment diagrams match the outward-facing activities with inward-facing activities. Lastly, the alignment diagrams reveal opportunities for improvements and growth because the presentation of the information allows it to be understood without middlemen. (Kalbach 2016)

According to Kalbach (2016) the value in mapping experiences becomes from the fact that it allows to discover innovative ways to make interactions better. Moreover, the whole design of the system is then easier to make coherent. Customer journey maps CJMs are type of alignment diagrams and those are described to be visualizations about a customer's experiences and usually they illustrate how customers make a choice for example a decision to buy a service. So, customer journey maps present the steps the customers take while engaging with the company through different touchpoints (Richardson 2010).

More precisely, CJM's present the interactions in a chronological way including for example customer's actions, thoughts, feelings and pain points. From the organizational view point the CJM's present the roles and departments who are part of creating the experience for the customer. (Kalbach 2016) The practical usage of customer journey map is presented later in the chapter 3.4, where the research implementation is described.

Chapter 3

Methodology

The research was a qualitative study which followed design science research. This chapter introduces the methodology and methods as well as tools used in the study. Finally, the research implementation is presented.

3.1 Design Science Research Methodology

Joan van Aken (2014) describes *Design Science Research DSR* to be a problem solving research strategy which should produce actionable knowledge in order to address types of field problems. The knowledge is used as a means, not as an end which means that the knowledge can be applied in a direct way to realize the desired outcomes. This is done by developing artefacts which should solve the problem experienced by people (Johannesson and Perjons 2014). As stated above, the design science research is driven by the field problems rather than knowledge problems, meaning that the problem is defined in the real world situation by stakeholders.

According to Johannesson and Perjons (2014) the designed artefact can be a construct, method, model or instantiation. Constructs help to formulate problems and answers for them, meaning that they are definitional knowledge. Definitional knowledge means that with them it is possible to speak statements about the world rather than make the statements about the world. Methods define guidelines and processes which are meant to solve problems and achieve goals. Additionally, methods can be informal and be used as best practices. Models are used to represent possible solutions for a practical problem which means that they can be used to define the construction of the artefact. Lastly, instantiations are systems which are used in practice.

The design science research aims to produce a solution concept which would then be used to solve the field problem. This solution concept is used in the context by a design proposition. Design proposition can be formulated using CIMO-logic, which stands for this problem-in-Context, it is useful to use this Intervention to produce through these Mechanisms this Outcomes.

DSR-project has three parts

1. An explanatory part which consist of analyzing and framing of the chosen type of field problem.
2. A design part when an intervention is designed and tested in an iterative way.
3. A testing part where the final version of the intervention is tested. (Joan van Aken 2014)

Peffers et al. (2007) created a methodological framework for doing design science which complements and gives more precise activities for doing a DSR-project. This methodological framework, *design science research methodology*, is divided into six different phases. The first activity is *problem identification and motivation* where the specific research problem and justification of the value of a solution is defined. *Defining the objectives for a solution* is the second activity where the objectives of a solution are inferred from the problem definition.

Next, the artifact which can be model, method, instantiation or construct is *designed and developed*. Then the artifact is used to *demonstrate* how it can be used to solve the identified problem. The artifact is *evaluated* on how well it supports solving the research problem. This is done by comparing the objectives of a solution to the actual observed and measured results from the demonstration. Finally, the knowledge should be communicated to researchers.

March and Smith (1995) state that design science aims to create things to serve human purposes. As stated earlier, the four types of products that design science aims to produce are constructs, models, methods and implementations. Additionally, design scientists develop ways to perform goal-directed activities which are innovative and valuable. The purpose of this study is to increase the understanding about housing company decision making as well as improve the current sales process. Thus, it is justified to use design science research since, as mentioned, the purpose of design science is to produce actionable knowledge to address the identified problems.

3.2 Semi-structured Thematic Interview

According to C. Wilson (2013) a semi-structured interview combines open-ended exploration with predefined questions and it usually follows a interview guide which offers a frame to conduct such interviews. The interview guide consists of an introduction to the topic and the purpose of the interview, a list of topics and predefined questions to ask, probs and promts and comments to end the interview.

The semi-structured interviews are done in a conversational manner even though there can be predetermined questions. It is a good method in order to investigate behaviours, opinions and emotions as well as to gather experiences. It provides a way to get more details about a topic where there is already some knowledge, but it lacks a deeper understanding. For the interviewee the semi-structured interview allows to focus on topics which they feel more important. In addition compared to the structured interview, the answers are open and not yes or no type of answers. (Longhurst 2010; C. Wilson 2013)

According to Hirsjärvi and Hurme (2001) semi-structured thematic interview is based on the focused interview which was published in a book *The Focused Interview* written by Merton, Fiske and Kendall. The most relevant aspect of thematic interview is that the interview is going forward based on the themes rather than detailed questions so, it provides a framework for discussion. This allows the interviewees to answer more freely with their own wordings in order to bring their experiences to the center of attention and thus for the interviewer it is possible to collect insights about what people do and think (Longhurst 2010).

As stated above, semi-structured interview as well as thematic interview have many strengths considering the flexibility, gathering experiences and the comparison between the interviews. However, it is important to be aware of that the interviewer do not put words into the interviewee's mouth or guide the discussion into particular answer during the interview. Since, the semi-structured interview is flexible, it is crucial for the interviewer to be also consistent in order to make comparisons between the interviews. (C. Wilson 2013)

Since, the purpose of first research question was to find out what affects the purchasing decision making in the housing board it was justified to conduct semi-structured thematic interviews in order to discover the real feelings and operations inside the board. The interview was chosen because it provides a way to get deeper understanding by collecting detailed information (Johannesson and Perjons 2014). In addition the semi-structured interview allows the discussion to flow freely and the interviewees were able to describe the situations more broadly compared to structured interview.

3.3 Lean Service Creation

It is stated by Futurice (2019) that *Lean Service Creation LSC* helps bringing customer centricity into work, workflow and internal process development. Additionally, the LSC helps to communicate ideas and it forms a shared language. In practice, LSC is a set of tools which help multidisciplinary teams to create new services and products. It is based on Lean Startup, Agile methods and Design thinking. LSC offers canvases which outline the relevant phases in a service creation process and it is at the hands of the user to decide in which order the canvases should be used. According to the creators of LSC, the mindset and practices are the foundation for successful service creation.

Since, the actual study was conducted as a service design project it was justified to use some tool set which would help the research process. Lean Service Creation was chosen because it was familiar for the researcher and it also fit the process of the design science research. Moreover, LSC helps to think more about the customers and thus, the usage will increase the customer centricity.

3.4 Research Implementation

The Next chapters describes how the actual research was done phase by phase. The phases of the design science research methodology together with activities done during the study are presented in the The Figure 3.1.

3.4.1 Activity 1: Problem Identification and Motivation

Based on the DSRM process the study started with the first activity, problem identification and motivation. The case company was in the situation where they needed to expand their sales, and in order to grow bigger in Finland, they needed housing companies as clients. The problem in acquiring them as clients was that the case company had not done business to customer selling much and they needed to gain more understanding about how the housing company works and makes decisions. This problem then lead to the

Figure 3.1: The research process and the conducted activities.

first research question *What affects the purchase decision making in a limited liability housing companies.*

In addition to understanding the decision making in housing companies, it was important to discover a sales process which would take into account the case company's and partners viewpoints as well as the end-customers' viewpoints in order to make acquiring housing companies as clients easier, faster and unified. From this problem the second research question was formed as *How to improve current sales process with the knowledge of limited liability housing company's decision making process?*

Literature review was conducted in the Chapter 2 and it included the relevant background research about housing company, energy industry in Finland, decision making process and customer centricity. housing companies were studied in order to understand the operation and the legal backgrounds of its actions. Energy industry in Finland were researched in order to understand the current state and future opportunities. In order to design some improvements for the sales process it was crucial to understand how humans make purchasing decisions. Lastly, the concept and benefits of customer centricity was presented.

In order to understand the motivation and the problems of energy companies, the researcher participated in several partner meetings and observed them. In addition the researcher did observation at the workplace and that knowledge was applied in several occasions. The researcher also used few canvases from the LSC in order to make communication easier with the relevant stakeholders and to make the discussed topics more tangible.

3.4.2 Activity 2: Defining Objectives for a Solution

Data Gathering

The second activity of a DSRM, defining objectives for a solution was done by conducting semi-structured interviews with the board members of housing companies. To gain broader understanding the researcher did six interviews with people of different age and their experience level in the board varied from one year to almost twenty years. Additionally, the people were either chairpersons or members of the board. The interviews that lasted from 40 to 80 minutes and they were conducted as face to face meetings and recorded in order to listen and analyze them afterwards. The relevant information related to the interviewees role, experience in the board, age, occupation and the duration of the interviews are presented in the Table 3.1.

The thematic interview was divided into four categories in order to answer the *RQ1: What affects the purchase decision making in a private housing company board*. These themes were defined in order to gain insights about why people go to board, how the board operates in practice and what kind of things influence their work. The themes covered in the interviews were as follow: being part of the board, decision making in the board, influences on housing company operations and energy efficiency. The first theme dealt with reasons why the interviewees were members of the board and their feelings about their work in the board in general. Second theme covered the process of decision making with examples of previously made investment decisions and the role of money in them. Third theme concentrated to learn about influences that affects the operations of the board as well as who the board trust and where they find information related to services provided for housing companies. Lastly the energy efficiency topic discovered how well are energy efficiency topics understood in the boards of the housing companies and the importance of it.

Role	**Experience in the board**	**Age**	**Occupation**	**Duration**
Member	17 years	59 years	Director	40 mins
Member	11 years	36 years	Energy expert	80 mins
Chairperson	5 years	30 years	IT-consultant	80 mins
Chairperson	10 years	76 years	retired	60 mins
Chairperson	19 years	70 years	retired	75 mins
Chairperson	1 year	31 years	Electronics engineer	45 mins

Table 3.1: Information about the interviewees.

Data Analysis of the Interviews

Analyzing of the interviews was done by listening the interviews again and taking notes of relevant points and afterwards clustering them into categories. The researcher divided the notes based on the LSC user insight canvas since it was familiar way for the researcher to help analyzing the interviews. The user insight canvas categorizes the notes for user needs and problems, what surprised the researcher and what the user thinks and feels.

According to Hirsjärvi and Hurme (2001) the researcher knows the interview material so well that it is easy for her to recognize the themes covered and make notes about dialogue when needed. Thus, in this study the researcher did not transcribe the interviews since there were only six interviews to be analyzed and the researched conducted the interviews alone.

Observing the Energy Industry

In addition to the interviews, the researcher participated many meetings where the energy company was present in order to **observe** and gain more insights about the industry. From the meetings, the researcher gained understanding on how well do the energy companies understand the housing companies as their customers and how much they have communication with them. Additionally, the researcher learned about the drivers to have case company's solution as part of the company's service offering. To understand more about the energy company the researcher and the team categorized energy companies into three different segments based on their team size, speed to take things forward and willingness to proceed with service business.

Customer Journey Mapping

To design a better way and providing guidance on how to acquire customers it was first necessary to go through the current customer journey as described in the chapter 2.4.1. For this, the researcher used LSC canvas for visualizing customer engagement. The canvas helps to list all the steps from rising customer awareness, engagement, purchase, use, use more and advocate combined with the touchpoints. By listing also the enablers and problems it was easier to discover problems.

The canvas was filled with one energy company and it was also complemented with the knowledge gained from other meetings with energy companies. From this work it was decided to focus on the first three steps in customer engagement canvas which were awareness, engagement and purchase because it was identified that those are the biggest bottlenecks. Additionally the case company's product is sold by the partners and they can sell the service in which form the want but they lack the knowledge about how to actually approach the housing companies.

3.4.3 Activity 3: Design and Develop

The third activity in design science research is design and develop and the purpose is to design an artefact which addresses the stated problem and fulfills the defined objectives (Johannesson and Perjons 2014). So, to answer the second research question *How to improve current sales process with the knowledge of limited liability housing company's decision making process?* the researcher together with the team conducted few tests to gain insights which would then work as a base for improvement suggestions. The Figure 3.2 presents the two tests which were done related to the pricing model and personal selling as well as consulting.

Fake Ads

Pricing model had risen as a big concern among the case company and the energy companies since they did not know what model would work best for the housing company. In addition, the partner company had a service already in the market but they were struggling with the pricing model. So, to find out which model the housing boards would prefer and why, the researcher and the team designed three different fake ads which were all looking the same but the pricing model was different in each of the ads. Additionally, the communication of the fake ads were following the *start with why* philosophy as described previously in the chapter 2.3.

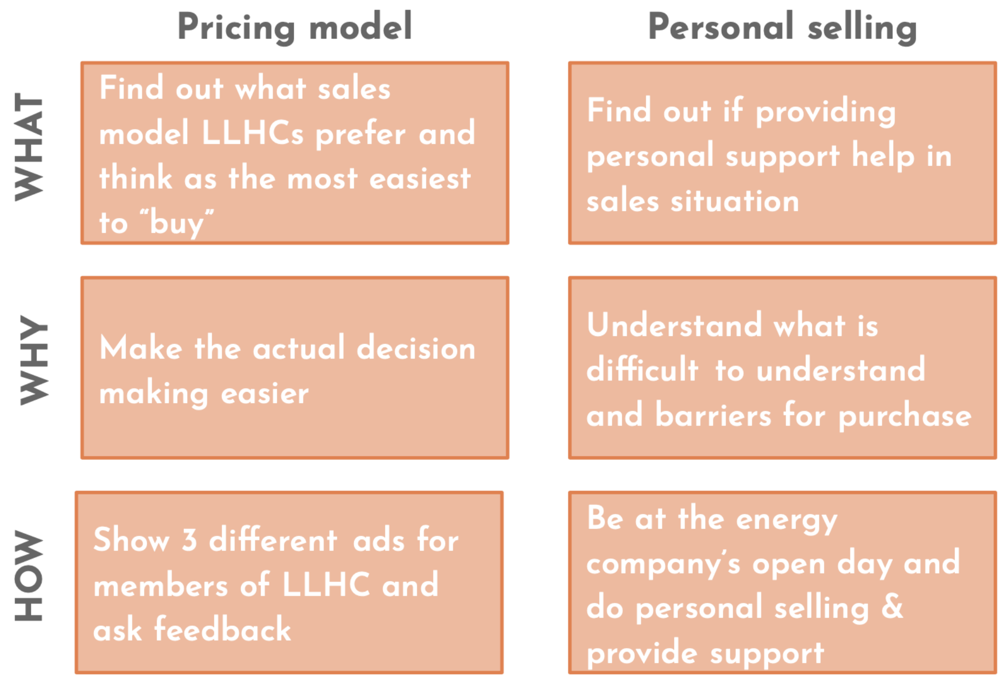

Figure 3.2: Conducted experiments.

The fake ads had three different kinds of pricing models which were as follows:

- Investment plus a monthly service fee,
- A monthly service fee.
- A monthly service fee which is covered by the saved energy fees.

Personal Selling with Personalized Offers

From the interviews done with the housing companies, it was clear that they need consulting and help when the offered service is new to them. Additionally, clear communication, making things as simple as possible and providing support are important when being in contact with them. With this in mind the the researcher participated one open day organized by an energy company in Finland. There the researcher was able to provide support and answer the questions about the service. Moreover the researcher was able to do personal selling. Lastly, to improve the engagement and to help purchase decision making easier the researcher and the team made personalized offers, which were available in the open day, by adding the potential amount of saving for the housing companies. This was done in order to reduce the pain and increase the net value as presented in the chapter 2.3.

3.4.4 Activity 4: Demonstrate

Limited Liability Housing Company Fair

The three different fake ads designed were tested in the housing company fair which was aimed for the board members of housing companies. The specific fair was chosen because the main audience there were purely the board members because the idea behind the fair is to present services and products for the housing companies. The fake ad testing was done together with one energy company who is also partner of the case company.

The ads were shown for 12 people and asked to read and comment the ads. The testing was done mainly in pairs which allowed the other to present the ads and the other to make notes about the test session. The team approached people in the fair and asked if they would be willing to give opinions about the ads. The ads were given for the volunteers and after a moment the people needed to choose one of the ads which had the pricing model that they prefer the most. The team asked reasons behind the choice and also feedback about the ads in order to find out improvement ideas.

Energy Company's Open Day

Since, it was clear from the interviews that lack of expertise in real estate or building industry are typical issues in housing companies the researcher took part in an energy company's open day in eastern Finland in order to do personal selling. The purpose was to be there in person and to promote their service which is built on top of the case company's technology. In the open day the researcher had personalized offers for the area's housing companies. The offers also included improvements from the previous test done in the housing company fair.

The offers all had the same monthly cost but in the offer it was also stated how much is the predicted saving if they would have the service in use. The researcher was able to contact the members of housing companies in person, answer the questions immediately and also to collect contact information from interested buyers.

The researcher was able to discuss with three members of housing company, the rest of the people were mainly living in detached houses. All of them received an offer and their contact information was collected for the energy company to be in contact with them afterwards.

3.4.5 Activity 5: Evaluate and Iterate

In the second to last activity of DSRM the designed artefact is evaluated to see how well it solve the initial problem and fulfil the set requirements. To answer the RQ1 the researcher analyzed the interviews and formed requirements which were then used to form guidance of how the improved sales process should go. Additionally, the interview result can be used as guidance since they increase the understanding of the operation of housing company.

To answer the RQ2, the researcher together with team did different test to gain insights about what works and what not in acquiring housing companies as clients. The test were evaluated also from the business perspective and objectives.

Since, the purpose of this study was to gain more knowledge about the housing companies and to form suggestions the results can also be used in order to find out future research areas.

Iteration was not possible to do for the whole process because of the research time span. However, the ads were improved after test sessions and the insights gained from the test sessions were always further used in the next sessions as well as daily work. In addition, the researcher describe the future research ares and recommendations of what should be done next.

3.4.6 Activity 6: Communicate

The last activity of the DSRM consist of communicating the results of the study and this is done through this thesis. In addition, the results are presented in the case company as well as for the case company's energy company partners if possible.

Chapter 4

Results

In this chapter the results of the study will be presented. First the limited liability housing company board member interview results are presented. Then the researcher presents the results gained from customer journey mapping which was done together with energy company and. Lastly, the researcher presents the results from the prototypes and tests conducted during the research.

4.1 Limited Liability Housing Company Board Member Interview Results

In this chapter the results of the interviews are discussed and presented by the themes found in the analyzing. The themes are motivation of the board, role of the deputy landlord, overall decision making in a housing company, identified board types and awareness of energy efficiency.

4.1.1 Motivation of the Board

Motivation of the board was discovered to be the biggest factor affecting the actions of a board of the housing company. Based on the interviews, the reasons why people are part of the board and what kind of people they are affects the motivation and operation of the board.

Reasons to be in the Board

The reasons why people are in the board of housing companies varies and it is not the same for everyone but usually the reasons are overlapping and connected to each other. The following themes were identified as reasons to be part of the board:

- Take care of the value of the investment.
- Make sure that things are done correctly.
- Personality and experience of the people.
- Other people persuade.
- Desire to make housing company better and modern.

The main reason found out was that the members of the board want to take care of the investment's value they have made when buying the apartment. This reason is based on the fact that living in a detached house is basically the same thing as living in an apartment house and both of them needs maintenance in the same way.

> *I had a bigger risk to loose my money if I didn't go there (to the board). I wanted to make sure that the traditional pipe repair will come and that it will get done.* — interviewee

> *I also do not understand what is so difficult that people do not want (to go to the board). I find it really important that it is my property and it needs to be treated well. – The apartment building requires care as well as a detached house.* — interviewee

Taking care of the investment's value is connected to the fact where the people want to make sure that the things are done with care and correctly. This can be the case even though there is no investment made on behalf of the board member. One interviewee who did not live in the building was part of the board because of his relative was living in the building and he wanted to make sure that the good living conditions were guaranteed and that the things run smoothly in the housing company.

Background and Personality of the People

From the interviews it was also clear that personality and background of the people play a role in why people go to the board. Some of the interviewees felt responsibility to be in the board since no one else had volunteered. In some cases this responsibility is also connected to the need of taking care of the investment's value. Another big factor was found out to be the people's background in work context. Three of the interviewees had work experience in some sort of real estate field and thus had interest also in housing company's operations. Because of the work experience, they were usually also driving topics and projects which are related to their own work field.

> *Those needed to be dug, that I was there also waiting for awhile. And I left there with the thought that I will not go to the board and there I am now. And it seems like there is no way to get rid of it.* — interviewee

In some cases there had been difficulties to get people to the board. In some cases the reason why they still were part of the board was that nobody else had been voluntary to replace them and thus they felt obligated to continue. However, it would be wrong to simply state that they are forced to continue, rather, they are by character that kind of people who take more responsibility when nobody else is willing.

Another fact which was identified to be a reason why people go to the board was that other people had persuaded them. It means the person might not have gone to the board without someone else persuading them or promoting them for the position. In one situation another person had stated that they will not run for the chairperson position if the interviewee would have not agreed to go for the board.

Finally people's desire to make housing company better and modern was identified influencing the reasons why people are in the board. In this situation the work experience of the board member had a big role. If a board member had expertise in the area which could be applied e.g. for building maintenance, it affects the willingness to be in the board and drive projects related to the expertise the member has.

Elements of Motivation

The reasons why people are in the board form a base for the board's motivation, activity and actions. In addition motivation is related to the time allocated for the board work, some meet every month to discuss housing company related matters and some meet only once a year when it is compulsory. On top of it, the motivation of the board consists of the following elements:

- Spirit inside the board
- Initiative
- Expertise inside the board
- Trust inside the board and between the board and deputy landlord

Spirit inside the board affects the working environment and the pro-activeness of the board. If the spirit is good inside the board, the co-operation naturally works better. A good spirit creates a foundation for the people to discuss about the topics and ask questions. In addition the spirit is also related to having meetings, one interviewee stated that having meetings is not always required if things can be also agreed and discussed via email.

The interviews revealed that initiative of the board is a big factor in driving the actions. Moreover initiative is highly affected by the people especially if there is a lot of expertise in the board. The more expertise there were on the board, the more pro-actively the board was operating. One of the key findings related this topic was that if there was people who have expertise in the real estate field in the board, the housing company is more advanced in doing actions which make the building so to speak better rather than maintaining it as it is. Moreover, it can be stated based on the interviews that even one person who has work experience in real estate is enough to drive the housing company operations in that specific area. In contrast, if the board did not have experienced people the actions were mostly done to keep the building as it is and fixing some noted faults.

Trust was highlighted as an important aspect of the work. It was important that the board members trust each other to do the tasks assigned in order to take care of the running things. In addition the trust towards deputy landlord was seen as a key topic. The deputy landlord takes care of the financial of the private housing company and execute the given tasks, if there is no trust the whole operation of the housing company would not happen.

4.1.2 Role of the Deputy Landlord

> *We went with the deputy landlord's saying: 'this is how it is usually done'.* — interviewee

In all of the interview cases deputy landlord was seen as an expert who has the education and skills to be in charge of the housing company. However, most of the interviewees stated that majority of the deputy landlords are not meeting the expectations that the housing companies have nowadays. In addition, deputy landlords are seen as service provider but the problem is that the deputy landlords have not understood it yet. In a situation where the deputy landlords are still in a way operating in the past, a big responsibility to drive the housing company's matters is in the hands of the board and when the board do not have motivation or skills to do it, only compulsory tasks get done.

> *Deputy landlords do not understand that they are a service that we buy.* — interviewee

> *Deputy landlord is not an expert in technology development.* — interviewee

Traditionally deputy landlords keep track and report the financial as well as take care of the practicalities. However, there is an increasingly need of deputy landlords who are on top of new technological services and products which could help the work of the board as well as the maintenance of the building. Many interviewees stated that they do not feel it is their job or responsibility to improve or find services which would benefit the operation and building maintenance. The reasoning behind this statement was that the members of the board do not feel like they are the experts nor have the education to be in that position. Exception to this is when the board members have some expertise, however in those situation they also wish deputy landlord to be on top of things. Even though deputy landlord is seen as the professional, the board members highlighted their own responsibility to find out and learn about the topics discussed in the meetings in order to do justified decisions.

> *A lot of money would be saved in this country if we had good and active deputy landlords in every place. It is good thing if the housing board is active but it is the job of the deputy landlord.* — interviewee

In all of the cases the interviewees told they have a lot of discussions with the deputy landlord. Trust between the board and the deputy landlord was emphasized to be one of the key things in the housing company operations. Without trust the housing company could not even operate.

4.1.3 Decision Making in a Limited Liability Housing Company

The research was first lead with an assumption that the decision making in the housing company is difficult. However, all of the interviewees stated that the decision making itself is not difficult. The people who are in the board does not necessarily have the competence and understanding of the topic discussed which makes the decision making difficult. Key learning from easiness of decision making was that the topic needs to be openly discussed and everyone needs to understand what it means. Problems arise when someone does not understand and is afraid to ask more. In addition the board needs to build trust between each other and between the shareholders. One interviewee pointed out that they actually do not vote on anything in the general meeting, but they present the projects or topics which will start for the general meeting.

Drivers for Actions

The role of the deputy landlord in the decision making is not that significant. The deputy landlord can introduce new things for the board but then the conversation starts and the decision can be different than what the deputy landlord originally suggested. However, the board always listens the suggestions of the deputy landlord and they trust their expertise if it has not been compromised. After the deputy landlord has suggested something, the board usually discusses about it and then decides on it and the decision can also be the opposite of what the deputy landlord had suggested.

> *Because of built trust we have a strong initiative and we can basically decide between the board to start proceeding something. It is then well justified in a general meeting and we get a so-called blessing for it.* — interviewee

The interviewed people did not feel pressure of the work in the board or about the decisions they have made. The decision making is highly affected and influenced by the thought where all things done need to consider the residents of the building. Key value in the decision making is to do such things which will provide good living conditions for all residents. If a strategy is made in the housing company it is used to backup the decisions. Without the strategy it is really hard to justify decision or projects which should be done in the building.

Another factor influencing the actions and maintenance decisions of the building is the service providers and sales men, even though their influence is not that remarkable. The chairperson receives a magazine which is made especially for the housing board. In addition, the chairperson receives offers and calls from various service providers who are offering their products and services for housing companies. Identified problem with these contacts were that the chairpersons might not have the competence to think the relevancy of the provided service in their specific case. It is then heavily on the hands of the chairperson to present the received offers to other board members and deputy landlord. If the chairperson is not that interested in them, it is likely that the offers and magazine will just be forgotten.

Money versus Living Conditions

Money was stated to be influencing the decisions made in the board but not as the most important aspect. The investment decision making was described to go as follows: First the idea for renovations comes either from some of the resident, deputy landlord or it is stated in the strategy. Then it is discussed in the board and decision is made to proceed with the project and usually at that time the deputy landlord is asked to send bids if the board do not want to do it themselves. The offers are handled inside the board and one of them is chosen. If the decision can be done without the general meeting, the project starts and the deputy landlord as well as the members of the board usually keep an eye on how the project proceeds.

> *There is a big responsibility with the board, to think the whole at all times. That sometimes the most reasonable decision is not the best. Because you need to think about all the people who are living in the building, so that they can live there and in which order to do (renovations) so that the cost burden does not get too big.* — interviewee

> *Saving is the worst thing you can do in a private housing company.* — interviewee

The key learning from decision making was that the money is not the key driver in decisions as mentioned above. However, the interviewees stated that if there are a lot of people who rents the apartment and do not live there by themselves, the decisions might be driven more from the perspective of saving money. But in the situation where most of the people who own the apartments are living there too, the decisions are done more from the perspective of living conditions but still in a cost-effective way.

> *You have to think economically, but still with a heart.* — interviewee

4.1.4 Different Board Types

From the interviews two themes rose as the most important responsibilities of the housing board. These were taking care of the structures and providing good living conditions for everyone. It was important for the board members to observe the building conditions in order to avoid big surprises which would be costly for the housing company. This means the renovations should be done in advance and in smaller peaces in order to lower the costs and the renovation burden.

> *It is cheaper for every one if things are taken care of. That you are not like a fire department that you put out the fire when it has already happened. Rather you should be up to date and see what is the situation at all times.* — interviewee

> *If you save too much, the state of the building weakens. It will just deteriorate if nobody does anything. And nobody will do anything for free.* — interviewee

As stated before there are differences in the housing companies related to how active the board is in driving various projects. Two different mindset, making building better or keeping it at the same status, are driving the actions based on the responsibilities. Running the housing company with the mindset to keep it as it is covers mainly the actions related to structures of the building. When it comes to the enhancing living comfort, the mindset can be either keeping it at the same or upgrading. Upgrading the living conditions usually means renovations or actions which are considered as *nice to haves* such as redoing the yard.

Three Identified Board Types

If the board wants to make the housing company better, the intent is usually coming from inside the board. The researcher identified three different types of boards which describes the base for what kind of actions and reasoning there are behind the operations. These three types, trend setters, guardians and responsibles, are explained in the Table 4.1.

The trend setters have the mindset of making the housing company advanced and usually they have one or more experienced people in the board who are driving these projects. Compared to the trend setters, guardians do not make decisions in order to make the housing company more advanced and forerunner but they aim to operate in advance in order to retain the value of the property. On the contrary, the responsible group are not that active nor they have the same kind of expertise in the board which affects their operation and activity to be more reactive rather than proactive.

Thus it is clear that one person can influence the operation of the whole board especially if they are experienced in for example real estate industry. Based on the interviews it is more likely that these experienced people can get everyone on board on these projects even though there could be some reluctance inside the board especially towards new technologies or new ways of thinking and doing. These different types of boards are closely tied to the actual motivation of the board and topics discussed in the motivation section.

Name	**Description**
Trend setters	Trend setters are making the investment decisions in order to upgrade the building. People who are in the board have interest in subjects of property because of their work background. They seek new services by themselves or they encounter them from work. Trend setters also expect the deputy landlord to be on top of new possibilities that are in the market for housing companies.
Guardians	Guardians are making the investment decisions in order to retain the value of their property. They want to take good care of the structure. Maintenance work and repairs are done in advance. Guardians are in the board from their own interest and to watch their money and home. Guardians make sure that things are discussed well and understood by everyone.
Responsibles	Responsibles are making investment decisions in order to retain the condition of the building. People who are in the board are there because they felt that nobody else was volunteering. Responsibles take care of compulsory tasks in the board but aren't proactively upgrading the building. They do renovations and investment decisions if they notice some flaws and they expect deputy lord to be in charge of actions.

Table 4.1: Identified board types.

> *The board have a responsibility to act responsibly so that residents have the best possible conditions in their own home.*— interviewee

4.1.5 Awareness of Energy Efficiency

From the perspective of the case company, the understanding and importance of energy efficiency and green value topics were also discussed. Three interviewees had heard about the case company's service before and two of them also worked in the energy field so they had a good knowledge about the field. Third one also had been working in a real estate field, so he also had knowledge about energy related topics. The rest of the interviewees had not heard about the case company nor did they have worked in the energy field. For them energy efficiency was understood as using less energy with less money and lowering water consumption. In some cases the energy efficiency can also be understood as lowering the temperature which is then linked to worse living conditions. For those who had experience in the energy field, considered energy efficiency topics more important and relevant in the context of housing companies.

Unknown Area of Energy Efficiency and Green Values

When discussing about services or products that would help making energy usage more efficient the two interviewees, who did not have work experience in the field, listed repairing of the windows as one of the ways to make building more energy efficient. This indicated that average board member do not really have a knowledge about the issues and education related to the topic is needed when discussing about technology assisted solutions in improving energy efficiency. Regarding the new technology possibilities the interviewees stated they do not even know where to find information about possible solutions.

Green values were not highlighted as a primary value in a housing company. When discussed about the green values, recycling was mentioned twice as an action towards more green and environmental friendly housing company. The most important range of responsibility of the board was described to take care of the building structure and provide good conditions for the residents keeping the cost efficiency in mind. Based on the interviews good indoor conditions are formed from the indoor temperature and the quality of the air as well as the cleanliness of the public spaces.

4.2 Current Sales Process

Since, the case company do not sell the service directly for the housing companies it was important to gain knowledge about the current sales process in the energy companies who sell the service for their customers. To gain this understanding the researcher and the team filled a customer engagement canvas from the Lean Service Creation handbook together with a representative from one energy company. This information was also complemented with information that the researcher had gained by participating meetings with other energy companies which are also selling the service. The filled customer engagement canvas can be seen in Figure 4.1.

Awareness and Engagement Phases Overlap

In the awareness phase, which is the first step, it depends on the energy company how they rise the awareness about the service. It is quite normal that the first time the housing company's chairperson hear about the service is when they receive an offer from the energy company. If that is the case, the offer usually has also some info material about the service. Another way for a housing company to know about the service is from the energy company's website where they have information about services and products that they offer. Additionally, the energy companies send newsletters and customer magazines to all of their customers where they inform their customers about new services or have some case stories featuring their services. However, it was clear that this way of doing is not that effective and it is left for the housing company board member's responsibility to then proceed with the topic.

During the awareness phase many problems were identified in addition to the previously mentioned. One issue was that the web pages do not have much of a traffic, so getting people for the right page is difficult. Moreover it was stated that marketing team should succeed to deliver the message to the customer. If the deputy landlord is responsible for discussing and also selling the service it was mentioned that they might deliver the message differently. This then leads to the situation where the energy company do not really know how the deputy landlords present the service. If the selling do not succeed the reasons behind the decision do not come into the knowledge of the energy companies. From the deputy landlords perspective, they might feel it is hard to approach the boards of the housing companies because they are afraid of failure and hope that they would approach them instead.

Engagement is happening between the housing company board and energy companies only in rare situation. This is usually happening in open

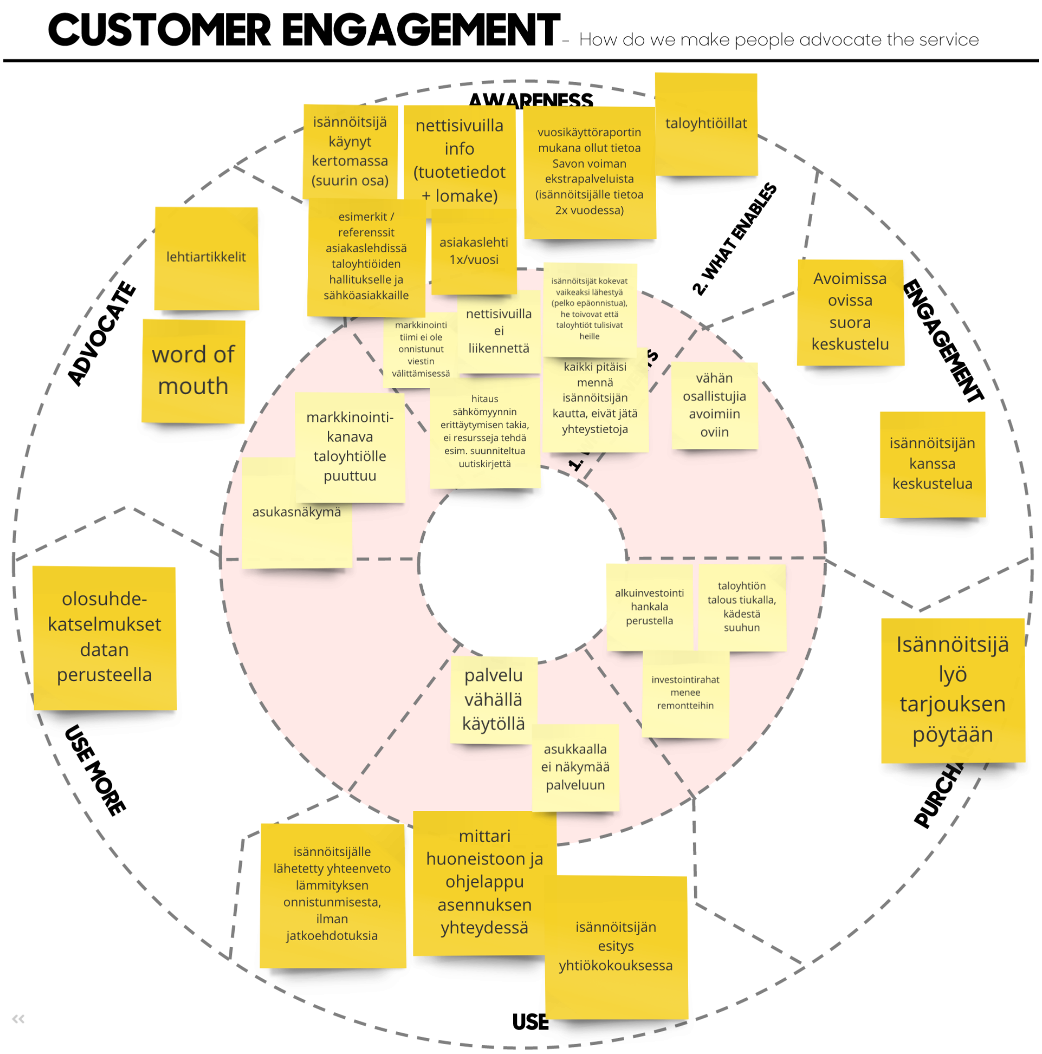

Figure 4.1: Customer engagement canvas filled with one energy company

day events when the people have opportunity to discuss about the available services with the representative from the energy companies. Another form of engagement is a call after the offer is sent to discuss about the offered service more. However, it was discovered that these calls do not happen in every situations.

The main problem identified concern the fact that awareness and engagement phases are actually overlapping and there is no clear pattern or guidance on how the journey should go. Some energy companies are also lacking resources for example in marketing and then the responsibility for doing the communication is left for one person in the energy company. This leads then to the situation where closing the deals is not succeeding. Because of this it was also difficult to fill the steps after the purchase phase and the answers for them were mainly ideas how things could go if they were able to sell the service.

4.3 Results from User Testing and Prototyping

The following chapter will present the result gained from the the conducted experiments related to pricing model and personal selling.

4.3.1 Pricing Model

In order to gain insights about pricing models and which of them is thought as the most suitable choice by the housing company's board members, the researcher and the team participated to housing company fair. There the fake ads were shown to 12 people. Eight of them were members of the board of a housing company, two were deputy landlords, one had background in housing company sales and one worked in a energy company.

Ten out of twelve people chose the pricing model that had the service fee which would be covered with the savings. Two out of twelve people did not have an opinion and three people said they would pick the investment pricing model if the housing company was wealthy otherwise the service fee with the savings.

Insights and Impact

From this testing the biggest insight was that investment is not a good option to have as the only choice since the members of housing companies might fear to make a decision about it. However, if the housing company do have money on their account, the investment is the best option because in a long run it is more affordable.

As a result of the test, the partner company decided to move from an investment based pricing model to a pricing model which do not have investment and the service is paid with the saved costs. In addition, from this testing the case company also decided to have the service fee without investment as the main pricing model which they recommend for the partner companies.

In addition to the pricing model, the team received feedback about the advertisement and the texts in it. Related to showing the pricing, it was hoped by the test people to show price per apartment and not only for the building so it would be more understandable. Additionally, the contract period was hoped to be mentioned in the advertise. All in all the overall feedback was positive and the service was commented to be useful.

4.3.2 Support for Personal Selling

The researcher attended in a one open day event which was organised by one of the energy company partner. There the researcher was presenting the case company and working as a sales person for the energy company. The researcher approached people attending the open day with the customised offers which were done by the team for the specific housing companies.

Insights and Impact

Attendance for an open day was not that great from the perspective of the housing companies. The researcher was able to speak only for three board members. The researcher gave the people the offer which also included the basic information about the service and let them read the paper. Afterwards, the researcher answered the questions and provided consultancy for the people if there were some unclear matters.

The researcher noticed that it was necessary to give a short presentation about the service in addition to the information which was presented in the paper. The board members were really interested in receiving the offer, because the researcher was able to give them a customized offer that stated the estimated savings in their housing company. In addition, the overall feedback about the service was positive.

Chapter 5

Discussion

This chapter begins by presenting the answers to the research questions of the study. Then, the limitations of the study are gone through. Lastly, the recommendations of future research as well actions are presented.

5.1 Answers to the Research Questions

In this chapter the answers to the research question are presented and reflected to the previous literature. In addition to the answers for the research questions, the researcher suggest actions.

5.1.1 RQ1: Purchase Decision Making in Limited Liability Housing Companies

The first research question asked about what affects the purchase decision making in a limited liability housing company. More specifically, the study investigated what kind of people there are in the boards of housing companies and how they operate in order to understand the motives behind their decision making. In chapter 4, the factors influencing on the purchase decisions were described through themes found in the interviews which were motivation of the board, role of the deputy landlord, decision making in general and board culture.

Based on the interviews, **one of the biggest factor which affects the purchase decision making is the people who are in the board** since they are influencing the actions and operation of the housing company based on their own background and interest. Issues related to the original thought that the decision making is hard, found out to be wrong and the issue is more about the lack of understanding the topic being decided about. This finding is in line with the dissertation *Uncertainty in Consumer Online Search and Purchase Decision Making* made by Lauraéus (2011) where it is referenced that there are two types of uncertainty in purchase decision making, knowledge uncertainty and choice uncertainty. Lauraéus (2011) writes that knowledge uncertainty means the doubts the consumers have related to their own ability to judge the service providers as well as the product itself which makes the decision making more complicated since it is then hard to do evaluate the options and it drives consumers to do more pre-purchase search. Based on the interview insights the knowledge uncertainty is affecting also the board members ability to make decisions.

Motivation and Activity of the Board

The motivation of the board should be considered from two perspectives. First, the motivation is highly dependent on the people who are in the board and secondly, the motivation and aspirations of the board is driving the actions of the board and thus it affects the decision making. As mentioned previously, if the board do not have anyone who would have professional experience for example from the real estate industry, it is highly likely that the deputy landlord is then the one who is leading the housing company actions. This factor was also noticed in the thesis made by Pehkonen (2012) where she researched energy efficiency related thoughts in housing companies in the area of Helsinki. Pehkonen (2012) states in the thesis that the housing companies who have professional experience or an active deputy landlord stand out from the group with activity.

Board Members' Problems and Needs

The problems and needs identified in housing companies related to their operations and as well as purchase decision making can be formed from the interviews and are as follow:

- Deputy landlord do not always meet the needs of a housing company.
- Lack of workmanship inside the board leads to a situation where the goal is to keep the building as it is currently.
- Lack of knowledge and understanding may lead to a situation where no decision is done.
- Recruiting new people to the board is considered as hard and people do not have interest towards the housing company actions enough.

- Board needs professional consulting to make decision if they do not have knowledge related to the topic or they do not have the knowledge inside the board.

In conclusion the operation of the housing board is dependent of the people and their background. In addition, the housing companies are dependent on the deputy landlord for actually running the operations. The more active the board is the less important role deputy landlord usually has. In both cases, the deputy landlord's suggestions are heard. What is important to notice is the fact that the decisions are made firstly in order to provide good living conditions for residents and secondly to provide them in cost effective way. The decision making in a housing company should be considered as a whole and it is important to identify what type of a board it is in order to understand their motives behind the operation.

The interviews also indicate that the service provided by the case company is not applicable as it is currently for the housing companies because it is designed for professional usage. Thus, the communication about the service as well as the product itself need to be simplified and re-though for the housing companies since for them the concept of energy efficiency is not that well understood and it might also mean worse indoor conditions. The fear of receiving lower indoor temperatures as a result of energy efficiency was also stated by Pehkonen (2012).

5.1.2 RQ2: Improving the Sales Process

The second research question focused on finding out what kind of sales process would help energy companies to sell services for housing companies. To answer this question the current sales process was needed to go through with customer journey mapping and then do small tests related to different phases of the journey which were identified as bottlenecks.

Limited Liability Housing Company is not a Business Customer

Based on the research one of the most important aspect of selling services to housing company is to internalize the fact that housing company is not a business customer even though the name says limited liability company. The board of the housing company is consisting of so to say normal people who are mainly working in the board voluntarily even though they might receive a small compensation for the effort. Moreover, the energy companies should see the housing companies as actual customers and not as rate-payers, in order to understand them and to provide them services which they need.

Providing Guidance for the Board Members

What it comes to the presentation of the provided services, there are few things which should be considered in the housing company scene. Since, one person in the board can not make decisions alone, the whole presentation needs to be considered from the perspective that it also provides guidance for the one who is presenting the service for other board members. Here are listed the factors which should be in mind while designing the actual sales material. *The user needs a way to:*

- Understand what the company is selling and why it is important.
- Present the product for other board members.
- Make the purchase decision by consulting someone professional if (s)he doesn't have the skills related to the topic.
- Know if the provided service is needed/relevant for the building.

Service Fee Based Pricing Model

Related to the pricing of the service, it should be either service fee based. Even though, the research indicate that the service fee is the most wanted among the housing company board, some housing companies might have more asset and are capable to invest more money in the beginning to gain more benefit in the long run. As mentioned earlier in Background chapter Barden (2013) states the price perception is dependent on many things, so one way to make purchase decision easier could be to show the estimated savings, if there service's value proposition is offering energy savings. However, if the value proposition is about the savings the company need to get a certain amount of savings to believe the value. If the savings are not perceived to be enough, the value proposition can backfire because of the fear of having worse indoor conditions. Thus, based on Barden (2013), the purchase decision might not happen since the reward do not exceed the pain.

Value Proposition

If the value of the service is thought more from the perspective of the identified board types, those could be aimed to fill their specific needs. For the trend setters the value of the service could be to have a new way of heating, since the current one is outdated. For guardians, the value of the service could be about taking care of the investment's value and to offer a tool which can help make renovations in advanced. Lastly, for the responsibles the value could be to provide a tool which alert about possible problems before the big renovation is needed.

Target the Trendsetters

In the context of selling a service which is totally new in the market the boards who are trendsetters, as presented in the chapter 4, should be identified. Since, they are the most proactive it could be also the easiest way to sell them the service first. Through this then, the care takers and responsible would follow the trendsetters. One of the issues in selling something new is that people do not have knowledge about it, so it is hard to start even looking for it. In this situation, the responsibility to provide such information lies on the service provider. This suggestion is also supported in the literature. According to Lauraéus (2011) expert consumers do not need information and they do not search it and novice users do not search information because they lack the ability to do so. Moreover, as Sinek (2009) stated, to succeed in the mass-markets the company first need to get 15-18 % of the market and this can not happen without the early adopters.

Role of the Deputy Landlords

Based on the interviews and from the testing, it came clear that the limited deputy landlord is the trusted person among the board of housing companies and that they need consulting as well as support for decision making if the matter is complicated or rather new. Since, one deputy landlord handles usually many housing companies at once, they reach many potential customers and have relationship with them already. Thus, deputy landlord could be the one to suggest new services for housing company if they believe and see value in the service themselves. If this is the case, it is important to remember that deputy landlords want to stay as independent and they can not nor want to take commission from recommending the solution. In addition, it should be taken into account, based on the interviews, that not all deputy landlords are meeting the expectations of the boards. In this case, it is important to find the deputy landlords who are active and have the correct mindset about being service provider for the housing companies. Deputy landlords also know their customers, so with their help it would be easier to identify the boards who are classified as trendsetters.

Customer Centricity into Sales Process

To summarize, the energy companies should re-think their way of selling to be more customer-centric in a way that it would answer the needs of the housing companies. It would be beneficial to arrange events for housing companies, where they would get knowledge about the service in a way that is presented clearly and relatable since it is problematic when the board members receives an offer and the information about the service at once. In addition, the path-to-purchase should be as easy and effortless as possible, sine the board members are not being too active based on the interviews. Because, the interviewees stated that their responsibility is to provide good living conditions to all residents the main value proposition could be about providing stable, equal and healthier indoor conditions to all residents. Deputy landlord should be involved in the process, since they know their customers and they are the trusted person with expertise inside the board.

5.2 Limitations of the study

The study has limitations which should be acknowledged. Related to the data collection process, the researched did the interviews alone and it is possible that even though the interview questions were open ended the interviewer directed the answers of the interviewee. The generalisation of the interview results is geographically uncertain since the interviewees all lived in the capital area of Finland, still the interviewees represented well different age groups, different levels of experience in the board as well as gender.

In addition, it is possible that the interviewees' answers were affected by the desire to please the interviewer. Nevertheless, the interviewees talked openly about their feelings and motivations related to working in the housing board even though in some cases they were negative and critical, which indicate that the answers represent their opinions in real life.

During the data analyze phase only one researcher analyzed the interviews and because of that the previous knowledge and perspectives could have affected how the researcher analyzed and categorized the interviews. To be noted, the researched did not have any experience on being part of the housing board so she did not have any strong opinions or own experiences that could have highly affected the analysis.

Because of the time span of the thesis, the researcher did not have enough time to iterate the tests according to the design science research, so the suggestions would need more testing to be generalized in a larger context. In addition, it is hard to measure if the research results helped to reduce customer acquisition costs, reduce lead times and increase sales since the test were concentrating on small parts of the whole customer journey compared to contemplating it as a whole.

5.3 Impact of the Research

The research had impact in the case company. Firstly, the form of communication in ads, offers and presentations where the focus was on the professional property owner, transformed to focus on the people who are living at their own homes. This means in practice for example that the value proposition is focusing more on providing the good living conditions rather than saving energy. Additionally, the role of deputy landlords is increased and their importance acting as the ones who are suggesting the solution is better understood. In practice this means that in some cases the deputy landlords are the ones who enable the sales to happen. Moreover, the mindset where the housing companies are seen as business customer is slowly changing across the company. All in all, the research affected the daily work of the team where the researcher worked during the study and the conducted interviews provided a lot of new knowledge about the housing companies.

5.4 Future work

The future work and research could be about researching more about issues and needs that the housing companies has related to heating and energy efficiency. Since, there are already few heating optimization services in the market it could be beneficial to do user research with the ones who are already using the service. Through the research, the company would get more information on what is really important for the housing company and what aspects of the solution brings them value and benefits.

In addition, the future work could continue to test the researcher's suggestions as a complete customer journey experience with one energy company. The future work should concentrate on finding out how the deputy landlords would use the service and how the whole maintenance chain could be designed around the service in order to be fully predicting and offering added value for the housing companies.

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